

THE CONDITION OF TRADE

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convert in (with associated labour) into articles for dispatch abroad— thus effecting the exchange above mentioned of commodities for securities expressive of claims upon the funds of those nations by whom such securities have been created.

NOTE C.

Freight, again, may be sometimes paid for abroad, although London is the customary place; but the receiver of the freight abroad at once purchases bills upon London with the proceeds, and this course he is only able to adopt by dispatching goods to England as imports here. Thus, whether freight be paid abroad or in London, the result is identical —the remittance, that is to say, of commodities to discharge the sums which have been earned by our services in shipping and agency as constituting a charge against the foreigner.

NOTE D.

The Returns of the Bankers' "Clearings" are accompanied by an analysis of their contents, and an explanation of two items is interesting. Out of the total of £12,730,000,000, the clearings on " Stock Exchange Account Days" are stated to have been £1,800,000, and on the "Fourths of the Month," £540,000. The "Account Days" are those, it will be remembered, when transactions on the Stock Exchange must be settled by the delivery of securities and their payment ; and hence the sum above quoted affords evidence of the extent of speculation and investment upon the Exchange during the year. It was formerly the custom to draw commercial bills on the first of the month which, with the three days of grace, caused them to mature for payment on the fourth of each month. This practice has, of late years, fallen into comparative desuetude although a few warehouses continue to adopt it. The amount of hills which become payable on the fourth of the month (£540,000 in the preceding citation) is still, however, deemed of sufficient importance to justify the retention, of this separate record in the Returns, Bills for the settlement of commercial transactions are now generally drawn on any day of the month, although a preference prevails for the seventh, the fifteenth, the twentieth, and so on, with maturity consequently on the tenth, the eighteenth, and the twenty-third. I am informed by the Clearing House authorities that the increased modern banking facilities have caused the cheque to supplant to a large extent the bill of exchange, and it is found that the beginning of the month is a favourite time for the settling of monthly accounts. Hence, the column headed " Fourths of the Month" in these Clearing Returns is serviceable, though now in a considerably reduced degree, in disclosing the vigour or sluggishness of *general* trade.